

Valley Community Services Board
85 Sanger's Lane, Staunton, VA
08.26.2026
5:30 p.m.

Members Present: Mike Hamp, Chair; Mary Powell, Vice Chair; Nate Riddle, Treasurer; Jerri Botkin, Stephen Sevier, Stephanie Huffman, Jennifer Emanuel, Lt. Leslie Snyder, Frank Pyanoe, Mark LaRosa, Sylvia Godfrey

Members Absent: Gin Chandler, Dwight George

Staff Present: Dr. Kimberly McClanahan, Tammy DuBose*, John Sandy, Dereck Criner, Tina Martina, Candy Calloway, Sheena Andes, Dana Fitzgerald*, Krista Lynch

***Denotes via Zoom**

CALL TO ORDER: Chair, Mike Hamp, called the meeting to order at 5:30pm.

ESTABLISH QUORUM: A quorum was established by Mr. Hamp.

MINUTES APPROVAL: Nate Riddle made a motion to approve June 24, 2026, Board meeting minutes. Frank Pyanoe seconded. Motion carried.

INTRODUCTION OF NEW MEMBER: Mr. Hamp asked new member, Sylvia Godfrey, to introduce herself to the Board.

FISCAL OVERSIGHT COMMITTEE:

John Sandy presented the June and July Financials as follows:

Hardcopies were shared with committee members.

FOC Year-End FY 2026 Summary

Income Statement reports a \$3.30 million surplus, \$1.17 million better than the \$2.13 million budgeted surplus. The favorable result was driven primarily by expenditure finishing \$3.37 million below budget, which more than offset a \$2.20 million revenue shortfall. Liquidity remains strong, with \$26.70 million cash at the year end.

June Balance Sheet:

- Total assets were \$36.77 million, up \$5.63 million (18.1%) from FY2025. Current assets increased to \$29.30 million, reflecting a stronger year-end liquidity position.
- Total cash was \$26.70 million, an increase of \$4.19 million (18.6%). Main operating cash increased \$3.93 million, while Money Market and LGIP balances also rose.

- Current liabilities were \$9.60 million and total liabilities were \$11.29 million. The current ratio was approximately 3.05x, and cash alone covered current liabilities approximately 2.78x, indicating strong short-term capacity.
- Total fund balance was \$25.47 million, up \$3.30 million (14.9%). Balance Sheet YTD income was \$3.65 million, up \$794,000 (27.8%) from FY2025.
- Net fixed assets increased \$1.15 million (18.2%), led by a \$1.96 million increase in buildings and improvements. Construction in progress declined about \$591,000, which should be tied to completed projects and fixed-assets capitalization during year-end close.

Budget to Actuals:

- Revenue finished \$2.20 million below budget. The principal driver was Gross Charges, which were \$3.35 million (16.8%) below budget.
- Operating expenses were \$3.37 million below budget. Wages and benefits accounted for approximately \$2.86 million, or about 85% of the total underspending. This level of personnel savings is favorable to year-end results but should be assessed against vacancies turnover, delayed hiring, and service-capacity requirements.
- Most non-personnel categories also finished below budget. The primary unfavorable expense variances were Professional Services (about \$63,000 over budget), Miscellaneous (about \$48,000 over), and Depreciation (about \$19,000 over).
- At the major service-area level, Community Based Services reported the largest revenue shortfall at approximately \$1.93 million below budget. Behavioral Health revenue was approximately \$428,000 above budget, while Medical Services was about \$198,000 below budget. These variances warrant program-level review as FY2027 begins.

Income Statement:

- Income Statement reported \$32.67 million in net revenue and \$29.37 million in operating expenses, producing a \$3.30 million surplus for FY2026.
- Compared with FY2025, net revenue increased approximately \$318,000 (1.0%), operating expenses decreased approximately \$125,000 (0.4%), and the annual surplus improved approximately \$443,000 (15.5%).
- Monthly operating performance was positive in 11 of 12 months. July recorded a modest \$28,000 deficit; every month from August through June was positive. The strongest monthly surplus was April at approximately \$521,000.

- June remained positive at approximately \$162,000, although operating expenses increased to \$2.68 million, the highest monthly expense level of the year. June included elevated Professional Services (about \$247,000), Miscellaneous expense (about \$108,000), and Occupancy (about \$74,000), which should be reviewed for normal year-end timing and accrual activity.
- The pattern is financially favorable because the annual surplus was not dependent on a single month; however, the budget-to-actual analysis shows that personnel underspending remains a major contributor to the overall result and should not automatically be treated as recurring structural savings.

Mr. Riddle made a motion to approve June Financials as presented. Motion carried.

July FY 2027 Proposed Budget

- The proposed FY 2027 operating budget is balanced and shows a projected surplus of \$1.25M.
- Total operating revenue is projected at \$34.70M. Total operating spending is projected at \$33.44M.
- The proposed surplus is 3.8% of operating spending.
- Compared with the FY 2026 Adopted Budget, revenue is down \$173.7L and operating spending is up \$704.6K.
- Service and staffing enhancements: Package adds \$1.38M in operating revenue and \$1.88 in operating spending.
- Compensation and benefits: Includes 3.5% COLA. Total COLA cost is \$630.7K.
- FY 2027 CIP totals \$12.75M.
- Most of the CIP is the V-RAC project: \$12.54M.

Mr. Riddle made a motion on behalf of the Fiscal Oversight Committee to approve the July Financial Reports, and approval of 6.24.26 Fiscal Oversight minutes. Motion carried.

Audit Update: Mr. Sandy commented on the audit letters from Brown Edwards. The documents in the packet outline what the auditors will be doing on our behalf. The documents state what their objectives are, they look at our financials and make sure we are using the same general accounting principles. There are requirements through Gasby. The auditors are contracted for five years, and they will report their findings to the Board. This year they are doing an in-depth audit and providing us with good guidance.

EXECUTIVE DIRECTOR'S REPORT: Dr. McClanahan reviewed her report. See attached.

ANNUAL TRAINING: Board members were given FOIA Orientation, Access to Public Records, and Guide for Members of Public Bodies are part of their yearly training. Mr. Sandy presented a PowerPoint on Fiscal Overview and the responsibility of the Board members. Tammy DuBose asked Board members to attest that they had completed the assigned trainings.

NEW BUSINESS: None

OLD BUSINESS: None

ADJOURNMENT: Mr. Pyanoe made a motion to adjourn. Ms. Powell seconded. Motion carried.

Respectfully submitted:
Sheena Andes